

Survive and Thrive Workshop Series

Quick Start Overview
19 February 2009



Workshop Series Hosts

- South Dakota Small Business Development Centers (SD SBDC)
- US Small Business Administration (SBA)
- University of South Dakota
- Regional Planning Districts & other Economic Development entities



Workshop Series Dates

- Where do I stand financially? (26 Feb)
- How can I better manage my expenses? (5 March)
- How can I increase my sales? (12 March)
- How do I manage and improve my cash flow? (19 March)
- Should I have a succession plan in place? (26 March)



Ready Talk Seminar

- For those at host locations, please sign in; for those on individual lines, you have already registered with the SBA
- Please note of any questions that you may wish to ask. These will be collected at the host locations, sent via Ready Talk Chat or can be sent directly to jean.rogers@sba.gov



Workshop Goals

Improve the viability of your business during this time of economic uncertainty by providing you insight as to your current position and empowering you to make financial and management decisions to increase the likelihood of survival or improve performance



Its not all doom and gloom but the future is uncertain

2008 vs 2007 Change	Q1	Q2	Q3	Q4	Annual
Retail	7.0%	6.0%	6.6%	0.1%	4.8%
Service	2.3%	6.0%	5.5%	0.9%	3.8%
Other	7.8%	12.4%	15.0%	-0.2%	8.5%
Total	6.5%	7.9%	8.8%	0.1%	5.7%

New Auto Dealers: -10.0%

Used Auto Dealers: -8.5%

All Dealers: -9.9%

Session 2 – Where do I stand financially?

- Understanding my Financial Statements
 - Profit & Loss Statement
 - Balance Sheet
 - Cash Flow Statement
 - Break Even Point
 - Accrual versus Cash basis of accounting
- Establishing Baselines and Trends
 - Historical Analysis
 - Industry Analysis (local, state and national)
- Develop an Action Plan
 - Add value to financials by developing a “dashboard” of ratios critical to your business or industry...perhaps utilize your accountant to prepare these value-added features



Checklist

- Understanding my Financial Statements
 - Do I currently get timely and accurate financials?
 - Am I using Cash or Accrual basis of Accounting?
- Establishing Baselines and Trends
 - Are there national associations with industry-specific information that I can be taking advantage of?
- Develop an Action Plan
 - What are the three to five financial variables (other than sales) that are most critical to the survival and profitability of my business?
 - 5 Largest Expenses?
 - 5 Fastest Growing Expenses?

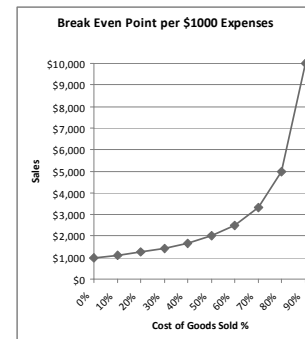


Session 3 – Managing Expenses

- Inventory Control
- Staffing/Labor
- Lowering Fixed Costs
 - Renegotiating loan terms
 - Renegotiating leases or contracts
 - Outsourcing non-critical tasks
- Checklist: Is my labor a “fixed” or “variable” expense, or some of each?



Break Even Points



Session 3 Checklist

- Is my labor fixed, variable or some of each?
- List your other variable expenses
 - Inventory, Credit Card Fees, Shipping, Supplies, Royalties, Bad Debts
- Can I reduce my fixed expenses?
 - Insurance – increase deductible, shop quotes
 - Overtime versus additional staff
 - Renegotiate loan terms
 - Renegotiate lease terms
 - Can I outsource tasks?



Session 4 – Increasing Sales

- More customers, more often, more dollars per visit!
- How?
 - Advertising and Promotion
 - Government Contracting opportunities (PTAC) www.usd.edu/sdptac
 - Proper pricing
- Market Share analysis
- Advertising Assessment
 - Customer acquisition and retention
 - Evaluating Return on Investment / Cost-Benefit



Session 4 Checklist

- What is my current advertising budget and how does it match with my customer demographics?
- Is my advertising measurable, so that I can assess it on a cost-benefit basis?
- What am I not selling that compliments my core products or appeals to my current demographic?



Session 5 – Managing Cash Flow

- Managing Accounts Receivable
 - Bad Debts
 - Collections
 - Factoring
 - Outsourced Billing
- Managing Accounts Payable
 - Inventory Management
 - Purchasing Terms
- Lines of Credit
- Checklist: What is my current "Days Receivable"? (Accounts Receivable divided by average daily sales) How does this figure compare to 6 months ago? Last year same month? My credit policy? My Industry?
- What are my Days Inventory or Inventory Turns per year? Has this improved? How do I compare to my industry?



Session 6 – Succession/Exit

- Deciding when to exit the business
 - Retirement
 - Financial feasibility of maintaining operations
- Deciding how to exit the business
 - Succession to related party or employee
 - Sale as ongoing entity
 - Liquidation/Closure
- Business Valuations and Brokers



Checklist Summary

- Do I currently get timely and accurate financials?
- Am I using Cash or Accrual basis of Accounting?
- Are there national associations with industry-specific information that I can be taking advantage of?
- What are my 5 largest expenses? 5 fastest growing?
- Which expenses are "fixed" and which are "variable"? Where does labor fall for my business?
- Do I have an advertising budget whose effectiveness is measurable?
- What are the trends in my Days Receivable and Days Inventory?



Future Workshop Topics

- After each session, participants will be provided an opportunity for feedback through surveys. Based on survey results, future workshops may be developed to delve into greater detail in specific areas (i.e. factoring, Government Procurement, etc).



We Want Your Feedback!

- Please provide your feedback in the survey at your host site, or which will be sent to the email address that you provided. This will allow us to tailor upcoming events to best suit your needs!



Next Session:

Where do I Stand Financially?

(understanding my financial statements)

Session 2
26 Feb 2009

Contact Jean Rogers to register
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Resources Available

- For a copy of this slideshow
 - http://www.sba.gov/localresources/district/sd/SD_SURVIVE-AND-THRIVE.html
- For additional training and education, visit the SBA Resource Library
 - www.sba.gov/tools/resourcelibrary/index.html
 - (features Podcasts, Publications and Research)

